

[24 April, 2001]

RAJYA SABHA

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Jakarta	314	86.72	87.09	(0.37)
Hongkong	286	68.12	71.51	(3.39)
Japan	625	362.59	388.36	(25.77)
TOTAL	2653	1673.98	1881.28	(207.30)

% of total AI flights 24.77

The losses incurred on domestic routes are as given below:—

	Op. Revenue	Op. Cost	Net Loss
Domestic (AI)	90.51	129.81	(39.30)
Domestic (H & S)	10.85	22.28	(11.43)

(d) The main reasons attributable to Air India's losses in the recent years are (i) severe competition in the international Market resulting in an inability to achieve desired revenue yields or adhere to yield improvement programmes; (ii) Erosion in profits from operations in the Gulf region due to new entrants in the market; (iii) Increased bilateral entitlements for European carriers and the consequent increase in their deployment, to/from India led to fare wars and increased discounting in a bid to attract traffic; (iv) increase in staff costs and in PLI; (v) Higher burden of depreciation and financial costs due to replacement and augmentation of fleet and devaluation of the Indian Rupee *vis-a-vis* US dollar; (vi) weakening of the rupee *vis-a-vis* other major hard currencies; (vii) Increase in interest expenditure on working capital loans; (viii) ageing of fleet resulting in reduced passenger appeal and therefore lower yields and (ix) escalating fuel prices in 1999-2000 due to which Air India had to pay Rs. 178 crores additionally during 1999-2000.

Encroachment on AAI Land at Hyderabad

4102. DR. Y. LAKSHMI PRASAD : Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that land belonging to Airports Authority of India at Hyderabad has been encroached upon;
- (b) if so, the details thereof;
- (c) whether there is a proposal to rehabilitate the encroachers at

other sites in Hyderabad and Government of Andhra Pradesh has allotted land for the purpose;

(d) whether Government of Andhra Pradesh has requested the AAI to provide infrastructural facilities at the new sites; and

(e) if so, the details of the action taken by Government on the proposal of Government of Andhra Pradesh?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) and (b) About 97 acres of land belonging of Airports Authority of India (AAI) at Hyderabad airport are under encroachment.

(c) Yes, Sir.

(d) and (e) A rehabilitation plan was finalised in 1994 at an estimated cost of Rs. 9.63 crores out of which Rs. 4.58 crores was agreed to be paid by AAI. AAI had deposited Rs. 1.25 crores in May, 1994 for this purpose. However, the State Government later informed that the cost of rehabilitation had increased and requested AAI to contribute Rs. 17.74 crores towards the cost of houses and other amenities. Since the contribution requested from AAI is too high and there is no immediate requirement of the land for operational purposes, AAI is not in a position to bear this high additional cost. Moreover, Government has already approved the proposal of the State Government for setting up of a new airport of international standards at Shamsabad.

Direct air services to Tirupati

4103. DR. DASARI NARAYANA RAO : Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government propose to provide direct air services to Tirupati from all the metropolitan cities of the country within a time-frame; and

(b) if not, the reasons therefor?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) and (b) At present, following scheduled air services are available to/from Tirupati:—